

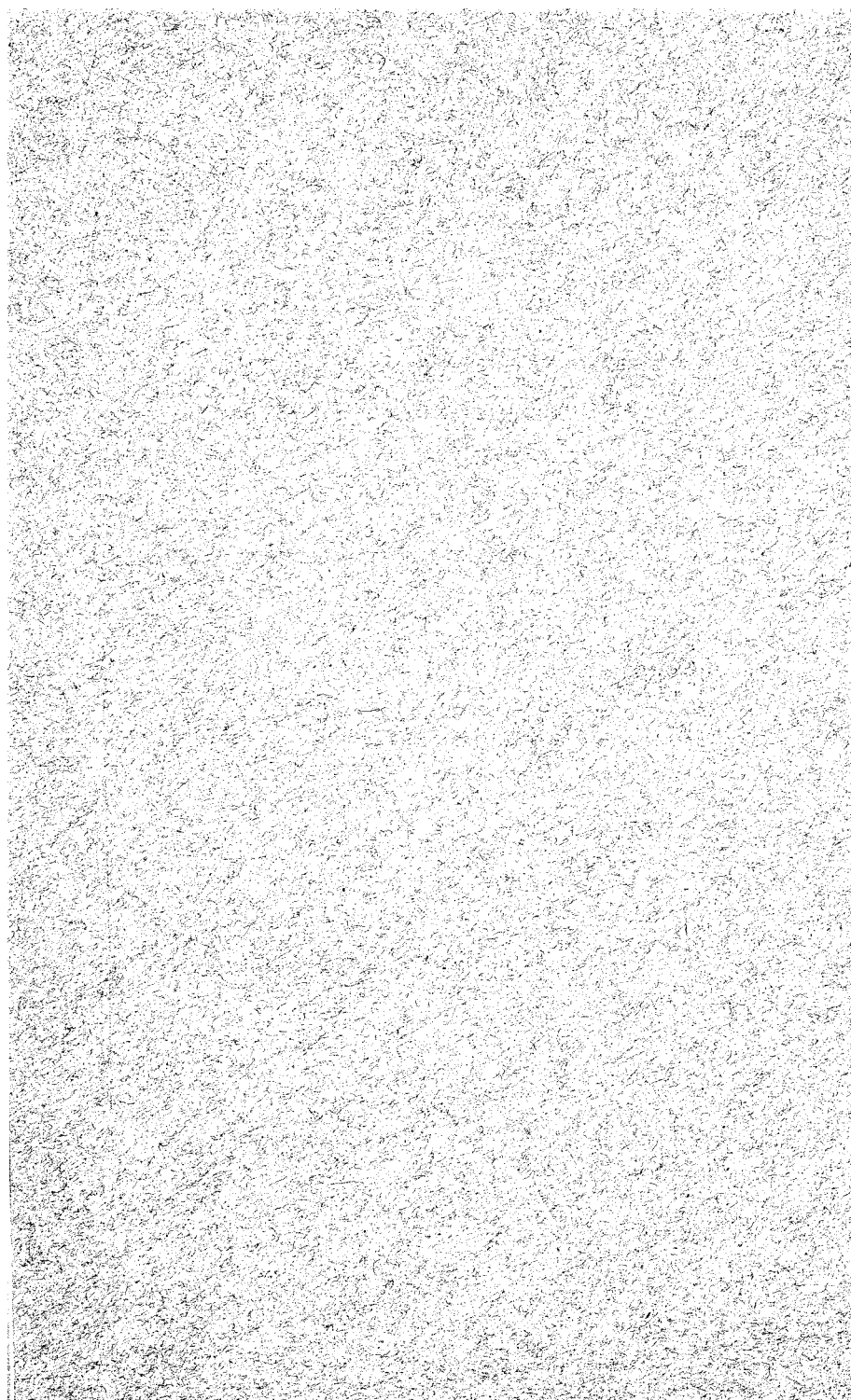
REPORT  
OF THE  
GOVERNOR AND COMMITTEE  
OF THE  
HUDSON'S BAY COMPANY,  
TO BE  
LAID BEFORE THE SHAREHOLDERS  
ON TUESDAY, JULY 15TH, 1890.

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LONDON:  
PRINTERS: SIR JOSEPH CAUSTON AND SONS,  
9, EASTCHEAP, E.C., AND SOUTHWARK STREET, S.E.

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1890.



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**1890.**



## DIRECTORS.

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Governor.

SIR DONALD A. SMITH, K.C.M.G.

Deputy-Governor.

VISCOUNT ANSON.

Committee.

EDWARD WILLIAM TERRICK HAMILTON, Esquire.

SIR THOMAS R. EDRIDGE.

SANDFORD FLEMING, Esquire, C.M.G.

SIR CHARLES RUSSELL, Q.C., M.P.

RUSSELL STEPHENSON, Esquire.

WALTER VAUGHAN MORGAN, Esquire.

THOMAS RANNIE GRANT, Esquire.

# HUDSON'S BAY COMPANY.

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A GENERAL COURT of the Governor and Company of Adventurers of England, trading into Hudson's Bay, will be held at the City Terminus Hotel, Cannon Street, on Tuesday, the 15th of July next, at two o'clock p.m., when a Report from the Governor and Committee will be laid before the Shareholders and a Dividend declared. At the same time the Amendment of the Charter in the direction referred to in the Report may be discussed, and a Resolution thereon may be moved.

The Transfer Books of the Company will be closed on the 30th instant, and reopened on 18th July.

By order of the Governor, Deputy Governor and Committee of the said Company,

W. ARMIT,

*Secretary.*

HUDSON'S BAY HOUSE,

LONDON, *June 24th*, 1890.

# REPORT.

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THE Governor and Committee have now to submit to the Proprietors the Annual Accounts of the Company, and to express their regret that the results of the trade have been seriously affected by the exceptionally heavy fall in the price of Furs, which took place at the last Spring Sales.

The following table shows that the decline in prices extended to every description of Fur brought to market by the Company, except Fur Seal and Sea Otter, of which the Company obtain only very small quantities:

Beaver	..	..	..	Declined	5	per cent.
Otter	..	..	..	„	25	„
Fisher	..	..	..	„	30	„
Fox Silver	..	..	..	„	10	„
„ Cross	..	..	..	„	15	„
„ Blue	..	..	..	„	40	„
„ Red	.	..	..	„	15	„
„ White	..	..	..	„	30	„
Bear	..	..	..	„	35	„
Lynx	..	..	..	„	30	„
Marten	..	..	..	„	30	„
Mink	..	..	..	„	30	„
Musquash	..	..	..	„	12½	„
Musk Ox	..	..	..	„	50	„
Ermine	..	..	..	„	40	„
Badger	..	..	..	„	20	„
Racoon	..	..	..	„	5	„
Skunk	..	..	..	„	15	„
Wolf	..	..	..	„	5	„
Wolverin	..	..	..	„	10	„

This great fall was mainly due to the mildness of the past winter, and to changes in fashion which reduced the demand

(Acct. No. 1.) for most of the finer kinds of Furs. The profits of Outfit 1888 have thus declined to £40,309 7s. 10d., as compared with £85,924 5s. 5d. for Outfit 1887.

In accordance with the Resolution adopted by the Shareholders in June, 1887, the Commissioned Officers are entitled to the guaranteed sum of £200 per Share for Outfit 1888, (No. 4.) amounting to £19,800 now charged in the Company's Profit and Loss Account for the year ending 31st May, 1890, leaving net profits amounting to £24,316 14s. 8d.

It will be observed that fuller details than heretofore are given in the Trading Account. As mentioned last year, in- (No. 1.) structions were sent to the Officers abroad to make certain changes in the mode in which the Accounts are kept at the principal Depôts and Stations; but owing to the difficulty of communication from the peculiar circumstances of the country, sufficient time has not yet elapsed to admit of these changes being fully carried into effect.

(No. 3.) The Company's Marine Insurance Fund continues to show satisfactory results. After crediting the amount of premiums on Insurances undertaken by the Company, and interest on the amount of the Fund, the sum of £3,344 19s. 11d. has been transferred to Profit and Loss, leaving the balance at the same amount as last year—namely, £50,000.

The Governor and Committee have carefully considered the best mode of dealing with the balance of the Land Account, (No. 5.) now amounting to £43,702 15s. 2d., and, believing that it would be for the benefit of the Company and the convenience of the Shareholders that the proceeds of Land Sales should be distributed as Dividends, instead of being treated as heretofore as a return of Capital and written off the Share Certificates, they have taken the opinion of Counsel, and are advised that it is quite competent to the Company to make the change.

Acting on this opinion the Governor and Committee have (No. 6.) transferred the sum of £43,702 15s. 2d. from the Land Account to the credit of the General Profit and Loss Account, bringing



the balance of the latter to £109,864 0s. 5d., out of which they recommend a Dividend of 14s. per share, which will absorb £70,000, and leave £39,864 0s. 5d. to be carried forward.

(No. 5.) The Land Account now submitted shows the Cash Receipts and Disbursements for the year ending 31st March, 1890. The Receipts amount to £37,071 8s., as compared with £30,488 8s. 9d. for the year ending 31st March, 1889, while the Charges show a reduction of £5,940, arising from the absence of any payment this year for the Company's share of Government surveys, and from a considerable saving in the expenses of management.

The following table, showing the amount of Land surveyed by the Dominion Government in the Fertile Belt may prove interesting, as Shareholders are aware that the Company are entitled to one-twentieth of the Lands so surveyed:—

					Acres.
Previous to June, 1873	..	..	..	..	4,792,292
In 1874	..	..	..	..	4,237,864
1875	..	..	..	..	665,000
1876	..	..	..	..	420,507
1877	..	..	..	..	231,691
1878	..	..	..	..	306,936
1879	..	..	..	..	1,130,482
1880	..	..	..	..	4,472,000
1881	..	..	..	..	8,147,000
1882	..	..	..	..	9,460,000
1883	..	..	..	..	27,000,000
1884	..	..	..	..	6,400,000
1885	..	..	..	..	391,680
1886	..	..	..	..	1,379,010
1887	..	..	..	..	643,710
1888	..	..	..	..	1,131,840
1889	..	..	..	..	516,960
					<hr/>
					71,326,972
					<hr/>

The Sales of Farm Lands and Town Lots by the Company during the past year have been as follows:—

Farm Lands—34,733 acres    ..    ..    ..    \$199,636  
(Averaging \$5,75 per acre.)

Town Lots.

Victoria, B.C.	..	..	3 lots	\$24,250	
Winnipeg	..	..	1 lot	1,100	
Portage la Prairie	..	1	„	50	
Fort Qu'Appelle	..	3 lots		250	
Edmonton	..	..	11 „	1,090	
Rat Portage	..	..	78 „	15,010	
Rosemount	..	..	25 „	1,175	
Newdale	..	..	1 lot	25	
Millwood	..	..	1 „	125	
Nipigon ..	..	..	1 „	50	
					43,125

making a total of \$242,761  
as compared with \$187,974 for the year ending 31st March, 1889.

The Sales after July last were unfavourably affected by a partial failure of the Crops, in consequence of the drought which prevailed in Manitoba and the North West Territory.

Deducting Sales cancelled, the total quantity of Farm Land sold by the Company to the end of March last was 226,292 acres. The unpaid instalments on running Sales at that date amounted to \$495,603, of which \$143,830 were in arrear, and \$351,773 not due.

The Sales in April and May, since the Accounts were closed, amount to 4,515 acres for \$25,820.

Encouraging advices have recently been received with respect to the prospects of a good harvest from a largely extended area now under crop in the North-West portion of Canada.

In conclusion, with reference to the question of converting the Shares, the Governor and Committee have to state that, having regard to the best interests of the Company, they continue opposed to any Scheme which has for its principle the writing up of the Capital by placing an imaginary value upon the Company's Land. But to the principle of duplicating Shares, recently sanctioned by a Committee of the House of Commons, the Board will offer no opposition.

If, therefore, without increasing the capital, the Shareholders desire that a plan should be prepared for duplicating the Shares by the issue of one Preferred and one Deferred Share for each Ordinary Share in the Company, the Governor and Committee will be prepared to draw up such a Scheme, and to take the proper steps to obtain the necessary Amendments in the Charter.

On behalf of the Committee,

DONALD A. SMITH,  
*Governor.*

# (1.) TRADING ACCOUNT.

*Exhibiting the Profit and Loss results during Outfit 1888; namely, from 1st June, 1888, to 31st May, 1889.*

Dr.

Cr.

	£	s.	d.	£	s.	d.
To Inventories 1st June, 1888, viz.—						
General Goods .. ..	337,462	13	4			
Advances from last Outfit ..	28,094	15	4			
Ships and Steamers ..	43,334	2	4			
Trading Establishments ..	60,416	12	4			
Balances due by Customers ..	83,772	10	4			
	553,080	13	8			
Cash at Trading Stations	10,078	1	5			
	563,158	15	1			
Less Balances due to Customers, Clerks and Servants .. ..	22,998	4	3			
	540,160	10	10			
Goods, Provisions, and Stores purchased in England, supplied for Outfit 1888 .. ..	123,973	19	5			
Amount written off as depreciated value of Ships and balance of Ships' Accounts ..	3,461	3	3			
Payments at Winnipeg:—						
For Goods purchased in Canada and the United States ...	98,690	17	8			
For Customs Duties ...	28,735	7	8			
For Freight inwards ...	8,515	16	8			
	135,942	2	0			
By Proceeds of Furs and other Imports into Great Britain, the Returns of this Outfit, after deducting Freight, Dock Charges, Cartage, Fire Insurance, &c. .. ..				253,426	18	1
Proceeds of Goods realized in the Territory and other credits incidental to carrying on the Trade of Outfit 1888 .. ..				33,543	14	6
Discount on Insurance Premiums .. ..				862	1	4
Inventories 31st May, 1889, viz.—						
General Goods .. ..	363,865	18	3			
Advances to next Outfit ..	38,310	17	7			
Ships and Steamers ..	42,527	8	2			
Trading Establishments ..	57,202	16	9			
Balances due by—						
Customers ..	85,100	8	3			
Clerks & Servants	5,773	4	2			
	90,873	12	5			
Cash at Trading Stations..	592,780	13	2			
	19,231	12	6			
	612,012	5	8			
Less Balances due to—						
Customers ..	9,850	14	6			
Clerks & Servants	13,330	10	9			
	23,181	5	3			
	588,831	0	5			

" Other debits incidental to carrying on the trade of trade of Outfit, 1888 .. ..	16,135	8	9
" Fire Insurance Fund .. ..	2,000	0	0
" EXPENSES INCURRED IN LONDON, 1st June, 1888, to 31st May, 1889, viz. :—			
Governor and Committee .. ..	2,950	0	0
Salaries of Secretary and other Officers .. ..	3,393	19	6
Warehouse Expenses—preparing and selling Furs, including Wages of Labourers and Sundry Charges .. ..	3,073	3	11
Rent and Taxes of Offices in Leadenhall Street, and Warehouse in Lime Street .. ..	2,448	11	4
Miscellaneous Expenses, including Stationery, Printing, &c. .. ..	1,055	7	6
" Salary to Local Officer .. ..	12,921	2	3
" Pensions and Donations in London and abroad .. ..	1,000	0	0
" Balance, being Profit on Outfit 1888, carried to Account No. 2 .. ..	750	0	0
	40,319	7	10
	<u>£876,663</u>	<u>14</u>	<u>4</u>

£876,663 14 4

# (2.) APPROPRIATION ACCOUNT.

Dr. Cr.  
*Outfit 1888, and previous Outfits.*

To Hudson's Bay Company, as per Account				£	s.	d.
No. 4	..	..	..	40,420	5	1
</						

# (3.) MARINE INSURANCE FUND.

Dr.

31st May, 1890.

Cr.

		£	s.	d.
1890.				
May 31.	To Loss on sundry Shipments in respect of Insurances by the Company	320	6	3
	„ Amount transferred to Profit and Loss Account (No. 4)	3,344	19	11
	„ Balance	50,000	0	0
		<u>£53,665 6 2</u>		
1889.				
June 1.	By amount of Fund at this date	..	..	£50,000 0 0
May 31.	„ Amount of Premiums on Insurances by the Company for Account of the Fur Trade from 1st June, 1889, to 31st May, 1890	..	..	1,650 11 4
	„ Interest for one year	..	..	2,014 14 10
		<u>£53,665 6 2</u>		
May 31.	By Balance brought down	..	..	£50,000 0 0

# HUDSON'S BAY COMPANY.

## (4.) PROFIT AND LOSS.

Dr.

1st June, 1889, to 31st May, 1890.

Cr.

	£	s.	d.		£	s.	d.
To Commissioned Officers for Appropriation under Guarantee for Outfit 1888 .. ..	19,800	0	0	By Profit on Fur Trade brought to credit this year as per Account No. 2 .. ..	40,420	5	1
" Fur Trade Officers' Reserve Fund for ditto ..	120	0	0	" Balance of Interest on Fur Trade Account ..	1,422	18	5
" Interest on Officers' and Servants' Deposits	1,581	3	6	" Profit from Underwriting Account as per Account No. 3 .. ..	3,344	19	11
" Interest on Marine Insurance Fund .. ..	2,014	14	10	" Interest, Dividends, and Sundries .. ..	6,564	16	3
" Income Tax .. ..	1,324	16	9				
" Salary to Local Officer .. ..	500	0	0				
" Payment to the Bishop of Rupert's Land, under agreement with the Company, and order of the Court of Chancery, dated December, 1849 .. ..	300	0	0				
" Miscellaneous Expenses .. ..	1,795	9	11				
" Balance carried to General Profit and Loss Account (No. 6), being Net Profits .. ..	24,316	14	8				
	£51,752	19	8		£51,752	19	8



(5.) LAND ACCOUNT.  
*Exhibiting the Cash Receipts and Disbursements, from 1st April, 1889, to 31st March, 1890.* Cr.

<b>Dr.</b>				<b>Cr.</b>	
<b>1890.</b>		<b>£</b>	<b>s.</b>	<b>d.</b>	<b>£ s. d.</b>
Mar. 31.	To Charges on Land in Manitoba and the North-West Territory to date:—				April 1 By Balance of Account to 31st March, 1889 .. 24,658 4 3
	Municipal and other Taxes .. .. .	10,635	2	5	
	Repairs & Improvements .. .. .	135	0	5	
	Annual charge for depreciation of Buildings .. .. .	2,321	10	8	Mar. 31 „ Cash received at Winnipeg in respect of Sales of Land as follows:—
	Salaries .. .. .	1,154	18	6	Winnipeg Town Lots .. £1,779 11 7
	Surveyors inspecting and reporting on Lands .. .. .	753	5	8	Portage la Prairie .. 19 10 5
	Travelling and Office Expenses .. .. .	1,141	17	10	Rat Portage .. 1,823 0 8
	Legal Expenses .. .. .	368	3	0	Edmonton .. 278 6 5
	Printing, Advertising and Miscellaneous Expenses .. .. .	638	0	10	Prince Albert .. 32 11 4
					Fort Qu'Appelle .. 29 2 8
					Newdale .. 5 2 9
					Rosemount .. 133 9 9
					Millwood .. 32 10 8
					Nepigon .. 16 2 0
					Farming Lands in Manitoba and the North West Territory 15,683 14 5
		4,056	5	10	
	Charges on Land in British Columbia to date for Taxes and Miscellaneous Expenses .. .. .	878	16	9	Interest on unpaid Installments and Rents .. .. . £19,333 2 8
	Balance transferred to Profit and Loss Account (No. 6) .. .. .	43,702	15	2	.. 5,352 11 1
					Cash received at Victoria, in respect of Sales of Land in British Columbia:—
					Installments on Sales .. 10,446 10 1
					Interest on unpaid Installments and Rents .. .. . 1,439 3 2
					11,885 13 3
					<b>£61,729 11 3</b>

# HUDSON'S BAY COMPANY.

## (6.) GENERAL PROFIT AND LOSS ACCOUNT.

Dr.		Cr.	
31st May, 1890.			
	£ s. d.		£ s. d.
To Dividend at 14/- per Share, declared 9th July, 1889 .. ..	70,000 0 0	By Balance 31st May, 1889, brought forward ..	111,844 10 7
„ Balance carried down, being Undivided Profits at 31st May, 1890 .. ..	109,864 0 5	„ Profit for year ending 31st May, 1890, as per Account No. 4 .. ..	24,316 14 8
		„ Balance transferred from Land Account (No. 5)	43,702 15 2
	<u>£179,864 0 5</u>		<u>£179,864 0 5</u>
		May 31. By Balance brought down .. ..	£109,864 0 5

**(7.) BALANCE-SHEET.**  
31st May, 1890.

Dr.

Cr.

	£	s.	d.	£	s.	d.
To Capital— 100,000 Shares of £20 each ..	2,000,000	0	0			
Less return to Proprietors of £7 per Share ..	700,000	0	0			
	1,300,000	0	0			
By Cash in hand and on Deposit in London ..				174,831	19	7
" Cash at Trading Stations, 31st May, 1889 ..				19,231	12	6
" Sundry Investments ..				75,072	1	6
" Buildings in Winnipeg and North West Territory ..				58,168	11	4
" Amount due by Commissioned Officers ..						133,240 12 10
" Amount invested in the Fur Trade (exclusive of Goods in course of Shipment), viz. Valuation of Trading Goods, Provisions, Stores, &c., as per Inventory 31st May, 1889 ..				501,907	0	9
Amount due as per In- ventory 31st May 1889:— By Customers £85,100 ..				8	3	
" Clerks and " Servants ..				5,773	4	2
				90,873	12	5
Advances in London for carrying on the Trade sub- sequent to 31st May, 1889 ..				592,780	13	2
Ocean Ships and Steamers employed in the Trade ..				12,405	5	11
" Balance represented by the remaining Pro- perty of the Company ..						825,500 3 10
						400,214 7 5
						£1,564,390 4 1

Examined and found to be in due accordance with the Books, Accounts, and Vouchers of the Company.

S. Moorgate Street, London,  
20th June, 1890.

THOMAS A. WELTON, Auditor.  
(WELTON, JONES & Co.)



